

Updated Statement Covid19, 25th of March 2020



Dear Partner,

Our last public statement related to COVID19 is now 6 days old and I want to give you an update on where we stand as of today, March 25th. Before going into the facts, let me express my sympathy with all of those who are fearing for beloved ones being infected or even worse, lost family members or friends.

Our priorities remain unchanged:

1. Protect the health and safety of our staff and their families through the application of tightest protocols, for example:

- ★ Social distancing
- ★ Hygienic requirements
- ★ Separation of shifts to limit number of people on site at the same time
- ★ Extended personal protective equipment made available
- ★ Extra cleaning of common areas, handrails, door knobs etc.
- ★ Smart mobile working from wherever possible
- ★ Interdiction of face to face meetings and switch to digital wherever possible
- ★ And many more

2. Protect business continuity through focused actions, for example:

- ★ Keep our facilities producing, shipping and invoicing
- ★ Manage our critical supply chains to ensure production can operate
- ★ Understand and utilize support programs in place in the different countries in which we operate
- ★ Cost reduction measures to reduce spent to what is strictly necessary for short term operationability

As you know, Deloro products are at the core of many critical processes, so our customers depend on us and our deliveries to fulfill their obligations. Many of our components support critical industries, like power generation, oil&gas, plastic production, medical products and many more. We are dedicated to fulfill our customer's commitments and avoid accelerating the overall economic slowdown.

- ★ A couple of important facts:
- ★ Fortunately Deloro Group still has no infected employee
- ★ The crisis management at our facilities worked excellent and I thank the local leaders for the decisive, clear and effective implementation of the right measures
- ★ Our three largest facilities out of four are operating
- ★ Deloro Coatings in Bellusco, Italy, shuts down tomorrow until April 6th to optimize production flow in line with supply chain and service company availabilities. Customer orders have been completed early to ship and we expect no impact on our clients.
- ★ Our two Italian facilities are both authorized to continue production based on supplying into critical industries
- ★ Orders and sales in March are largely in line with expectations and plan

We thank our employees, customers, suppliers and partners for the support and the unity we are seeing to manage through this crisis – and stay mission ready to deliver Deloro at the core of every critical process!

Stay healthy and safe!

Kind regards,

A handwritten signature in black ink, appearing to read "M. Rünz".

Michael Rünz - CEO Deloro Group

